GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3426
ANSWERED ON:13.03.2003
DEBTS INCURRED ON SICK PSUS
VINAY KUMAR SORAKE

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Union Government have pumped in more than Rs. 40,000 crores for 35 sick PSUs on revival packages during the last decade;

(b) if so, whether the Government are paying almost 17% of its Central revenue towards servicing debts incurred on sick PSUs;

(c) if so, the details thereof;

(d) the extent to which the Government are likely to protect the chronically sick PSUs at the cost of the tax payer; and

(e) the steps taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BALASAHEB VIKHE PATIL)

(a) to (c) : As per available information, 68 Central Public Sector Undertakings(CPSUs) were registered with the Board for Industrial and Financial Reconstruction(BIFR) as on 31.12.2002. The revival packages for sick CPSUs are sanctioned by the BIFR on case t case basis and administrative sanction in this regard is issued by the concerned administrative Ministry/Department. However, such information is not maintained centrally.

(d) and (e) : Government`s policy towards CPSUs as announced in the Union Budget 2000-01 is to :

- bring down Government equity in all non-strategic CPSUs to 26 percent or lower, if necessary;
- restructure and revive potentially viable CPSUs;
- close down CPSUs which can not be revived; and
- fully protect the interests of the workers.

In view of this policy, enterprise specific steps are taken by the concerned administrative Ministries/Departments and the management in consultation with all stakeholders including workers for revival of sick CPSUs and the closure is considered as the last option. Some of the common steps include periodical review of performance, business and financial restructuring, infusion of fresh funds, improved marketing strategies, implementation of purchase preference policy, cost control measures etc.